



**U. S. SMALL BUSINESS ADMINISTRATION (SBA)
FACT SHEET
ECONOMIC INJURY DISASTER LOANS**

SBA DISASTER DECLARATION DUE TO THE GOVERNOR'S CERTIFICATION OF ECONOMIC INJURY

STATE: MISSISSIPPI #12173 (Disaster # MS-00038)

COUNTIES: George, Hancock, Harrison, Jackson, Pearl River and Stone Counties; and contiguous counties of Forrest, Greene, Lamar, Marion and Perry in the State of Mississippi; contiguous Mobile County in the State of Alabama; and contiguous parishes of Saint Tammany and Washington in the State of Louisiana.

INCIDENT AND DATE: Deepwater BP Oil Spill
Occurred April 20, 2010 and continuing

APPLICATION DEADLINE: February 14, 2011

Type of Disaster Loan:

- Economic Injury Disaster Loans (EIDLs) – are working capital loans to help small businesses, small agricultural cooperatives and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.
- EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration (SBA).

Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDLs over \$5,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

Interest Rates:

Businesses and Small Agricultural Cooperatives without Credit Available Elsewhere: 4.000%
Non-Profit Organizations without Credit Available Elsewhere: 3.000%

Loan Term:

- The law authorizes loan terms up to a maximum of 30 years.
- SBA determines the term of each loan in accordance with the borrower's ability to repay. Based on the financial circumstances of each borrower, SBA determines an appropriate installment payment amount, which in turn determines the actual term.

Loan Amount Limit:

- Economic Injury Disaster Loans (EIDL) – The law limits EIDL(s) to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

Loan Eligibility Restrictions:

- Noncompliance: Applicants who have not complied with the terms of previous loans are not eligible. This includes prior borrowers who did not maintain required flood insurance.

Insurance Requirements:

- To protect each borrower and the Agency, SBA requires borrowers to obtain and maintain appropriate insurance. Borrowers of all secured loans (over \$5,000) must purchase and maintain hazard insurance for the life of the loan on the collateral property. By law, borrowers whose collateral property is located in a special flood hazard area must also purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.

For more information, contact SBA Disaster Assistance Customer Service Center at
(800) 659-2955 or disastercustomerservice@sba.gov
www.sba.gov/services/disasterassistance